

RECEIVED

2016 FEB -2 PM 4:30

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

IDAHO PUBLIC
UTILITIES COMMISSION

February 2, 2016

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-15-26
Transfer and Sale of Certain Assets to the FBI - Idaho Power Company's
Reply Comments

Dear Ms. Jewell:

Enclosed for filing in the above matter please find an original and seven (7) copies of Idaho Power Company's Reply Comments.

If you have any questions about this filing, please do not hesitate to contact me.

Very truly yours,



Lisa D. Nordstrom

LDN:kkt
Enclosures

LISA D. NORDSTROM (ISB No. 5733)
SHELLI D. STEWART (ISB No. 7459)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com
sstewart@idahopower.com

RECEIVED
2016 FEB -2 PM 4:30
IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR AN)	CASE NO. IPC-E-15-26
ORDER APPROVING THE TRANSFER)	
AND SALE OF CERTAIN ASSETS TO)	IDAHO POWER COMPANY'S
THE UNITED STATES DEPARTMENT)	REPLY COMMENTS
OF JUSTICE FEDERAL BUREAU OF)	
INVESTIGATION.)	

On November 25, 2015, Idaho Power Company ("Idaho Power" or "Company") applied to the Idaho Public Utilities Commission ("Commission") requesting an order on or before February 25, 2016, approving the sale and transfer of certain assets to the United States Department of Justice Federal Bureau of Investigation ("FBI"). If approved, the sale and transfer of the assets would result in the FBI owning, operating, and maintaining all facilities installed beyond the point of delivery. Idaho Power respectfully submits the following Reply Comments in response to comments filed by the Commission Staff ("Staff") and the Industrial Customers of Idaho Power ("ICIP") on January 26, 2016.

I. PRICING METHODOLOGY

Idaho Power appreciates the comments submitted by Staff and ICIP. Both parties reviewed the Company's Application; Staff recommends that the Commission approve Idaho Power's Application to sell assets to the FBI as proposed, and ICIP does not oppose it. Staff Comments at 7, ICIP Comments at 2. Both parties recommended that the Commission not endorse the Company's pricing methodology as a precedent going forward. Staff Comments at 7, ICIP Comments at 3. Staff argued that, although the methodology may be appropriate for establishing asset sale prices in many circumstances, each proposed sale is unique, and different circumstances may warrant different pricing methods or contract terms. Staff Comments at 7. Idaho Power agrees with Staff. While the pricing methodology proposed in this case provides a reasonable framework for evaluating facilities charge asset sales in the future and may be applicable in subsequent facilities charge asset sales transactions, other circumstances may warrant different pricing methods or contract terms to reflect the value proposition present in a particular transaction.

II. MULTI-UTILITY PROPERTY VALUATION DOCKET

Because each proposed sale is unique and should be considered individually, Idaho Power does not believe that the ICIP-recommended docket to set rules for valuing the purchase price of utility-owned facilities on the customer side of the point of delivery is necessary. ICIP Comments at 3. As the Commission recognized in Case No. IPC-E-13-17: "A valuation of the property by the Commission is meaningless if the Company is unwilling to sell at anything less than its stated price." Order No. 32940 at 6. It is not necessary to open a docket that will set rules for valuing property if a uniform

methodology could result in amounts for which the utilities are not willing to sell their assets.

The Commission should instead retain flexibility to value purchase amounts of property transactions on a case-by-case basis contingent on the factual circumstances. This is consistent with the Commission's stated intent in Case No. IPC-E-11-08: "we envision that the sale of facilities will occur on a *case-by-case basis* and that the purchasing price will be based upon the value of the facilities to be transferred to the customers." Order No. 32426 at 33 (emphasis added).

III. CONCLUSION

If approved, the *Asset Purchase and Transfer of Title Agreement* will allow the FBI to meet its goal of owning and operating all the electrical equipment on the FBI's side of the point of delivery. The purchase price agreed to by Idaho Power and the FBI accomplishes this without negative impacts to other Idaho Power customers or shareowners. Recognizing that no party opposes approval of the sale, Idaho Power recommends the Commission approve the Application as filed.

Respectfully submitted this 2nd day of February 2016.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 2nd day of February, 2016, I served a true and correct copy IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Daphne Huang
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington (83702)
P.O. Box 83720
Boise, Idaho 83720-0074

☒ Hand Delivered
☐ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email daphne.huang@puc.idaho.gov

Industrial Customers of Idaho Power

Peter J. Richardson
Gregory M. Adams
RICHARDSON ADAMS, PLLC
515 North 27th Street (83702)
P.O. Box 7218
Boise, Idaho 83707

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email peter@richardsonadams.com
greg@richardsonadams.com

Dr. Don Reading
6070 Hill Road
Boise, Idaho 83703

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email dreading@mindspring.com



Kimberly Towell, Executive Assistant